

MEETING NO. 4238
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **WEDNESDAY, JULY 17, 2019**

10:00 A.M.

RETIREMENT SYSTEMS CONFERENCE ROOM
ALLOY CENTER, 500 WOODWARD AVENUE; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
Jermaine Brown	Trustee
Tasha L. Cowan	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Chairperson (via telephone)
Crystal Perkins	Trustee
Thomas Sheehan	Trustee/ Vice- Chairperson

TRUSTEES EXCUSED

Kimberly Hall-Wagner	Trustee
Christa Mclellan	Ex-Officio Trustee/City Treasurer

TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Gail A. Oxendine	Assistant Executive Director
Kevin Kenneally	Deputy-Chief Investment Officer
Francis Judd	For General Counsel
TaKneisha Johnson	Administrative Assistant IV

STAFF EXCUSED

Ryan Bigelow	Chief Investment Officer
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VICE-CHAIRPERSON

Thomas Sheehan

The Board's Recording Secretary took a verbal Roll Call at 10:13 a.m. and Vice-Chairperson Sheehan called the meeting to order.

Present at Roll Call: Wendell Anthony, Scott Benson, Jermaine Brown, Tasha L. Cowan, June Nickleberry (via telephone) and Crystal Perkins

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Cowan - Supported By: Trustee Perkins

RESOLVED, that the application(s) for retirement from the **COMPONENT II (LEGACY) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Milton F. Larkin – Head Clerk – Municipal Parking
SERVICE CREDIT	25-06
EFFECTIVE DATE	06-18-19

Yea: Anthony, Benson, Brown, Cowan, Nickleberry, Perkins
and Vice-Chairperson Sheehan– 7

Nays: None

Re: Vested Retirement(s)

Motion By: Trustee Cowan - Supported By: Trustee Perkins

RESOLVED, that the application(s) for **VESTED RETIREMENT** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT James E. Adams, Jr. – Swim Leader-SS - Recreation

SERVICE CREDIT 24-08
EFFECTIVE DATE 06-11-19

NAME, TITLE, DEPARTMENT Patricia A. Nichols – Office Assistant II –
Health

SERVICE CREDIT 12-07
EFFECTIVE DATE 06-01-19

Yeas: Anthony, Benson, Brown, Cowan, Nickleberry, Perkins
and Vice-Chairperson Sheehan– 7

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts		Cash Account:	HYBLIQRES
Company:	RSCD-General	Start Date:	6/24/2019
		End Date:	7/15/2019

GENERAL RETIREMENT SYSTEM
CITY OF DETROIT
Re: Fees and Expenses

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Resolution Moved By: Trustee Cowan - Supported By: Trustee Nickleberry

WHEREAS, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

WHEREAS, the Board has been requested to approve payment of said Fees and Expenses;
THEREFORE BE IT

RESOLVED, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:

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Date: 7/15/2019 7:15 AM
Disbursement Report

Account	Payment Method	Currency	
LIQ RESERV	WIRE	US	
Vendor Name			
Bridgett Hardy	063019BH	IT Contractual Wages - June 2019	5,437.51
James R. Hollins	063019JH	IT Contractual Wages - June 2019	4,495.22
Raymond R. Tchou	063019RT	IT Contractual Wages - June 2019	9,185.66
Venkat Rallapalli / Highbrow Systems, Inc.	063019VR	IT Contractual Wages - June 2019	4,003.24
WIND POINT PARTNERS IV	071119	Capital Call	82,963.00
Cash Account/Payment Method Total:		5 Documents	106,084.63
HUNT - VEN ACH US			
Vendor Name			
500 WEBWARD LLC	988348	Electrical Billing: 5/31/19-6/27/19, Meter #16055044	572.32
500 WEBWARD LLC	988349	Electrical Billing: 5/31/19-6/27/19, Meter #16055070	836.67
ADP, INC	537563789	Check Printing Services	795.15
Barrow, Hanley, Mewhinney & Strauss, LLC	2Q19	Management Fees 2nd Qtr '19	43,402.00
Cogent Communications, Inc.	070119	Internet Service	1,023.00
CREATIVE BREAKTHROUGHS INC	INV1978	Software Maintenance	11,650.00
FIDELITY INSTITUTIONAL ASSET MGT TRUST CO	20190630-4576-A	Management Fees 2nd Qtr '19	65,272.99
GABRIEL, ROEDER, SMITH & CO	447756	Actuarial Services for June 2019	11,700.00
NORTHPOINTE CAPITAL, LLC	2Q19	Management Fees - 2nd Qtr '19	37,089.79
PLANET TECHNOLOGIES, INC	I001920	Azure Active Directory License: July 2019- June 2020	3,240.00
PROCENTIA, INC	2323	Procenia Implementation	46,962.13
SALIENT CAPITAL ADVISORS	2Q19	Management Fees 2nd Qtr '19	68,558.96
THE TOWNSEND GROUP	US201-0000214	Professional Services - May 2019	9,562.50
UHY Advisors MI, Inc.	1304192	Professional IT Services for June 2019	9,637.50
UHY Advisors MI, Inc.	1304194	Professional IT Services for June 2019	48,000.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	0319	General Counsel Matters for March 2019	26,190.60
VANOVERBEKE MICHAUD & TIMMONY, P.C.	0419	General Counsel Matters for April 2019	26,096.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	0519	General Counsel Matters for May 2019	28,701.60
Cash Account/Payment Method Total:		18 Documents	439,291.21

GENERAL RETIREMENT SYSTEM
CITY OF DETROIT

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Re: Fees and Expenses (Continued)

HUNT - VEN	CHECK	US	
Vendor Name	Invoice Number	Invoice Description	Amount To Pay
ASCENSION MICHIGAN AT WORK	356287	Disability Re-Exam Fee	250.00
CINTAS CORPORATION-300	4025663328	Floor Mats	130.65
DIRECTV	36414897067	Service Charges 6/23/19-7/22/19	36.99
FEDEX	6-594-48819	FedEx Mailing	25.44
First CHOICE Coffee Services	626426	Coffee Supplies	146.10
First CHOICE Coffee Services	627800	Equipment Rental	30.00
IRON MOUNTAIN	165800	Data Domain Service	1,332.38
IRON MOUNTAIN	201920961	Storage CDs	874.40
MILLER LAW	64975	GRS/City of Detroit for May 2019	315.50
SHRED-IT USA	8127319519	Shredding Service Charges	49.72
SHRED-IT USA	8127540383	Shredding Service Charges	49.72
THOMAS SHEEHAN	071019	Trustee Stipend	866.67
TRANSUNION RISK & ALT DATA SOLUTIONS INC	3712221-201906-1	TLOxp Research Services	25.00
TRUSCOTT ROSSMAN GROUP LLC	INV-3725	Public Relations	360.00
VERIZON WIRELESS	9832902716	Wireless Charges 5/26/19-6/25/19	362.76
WENDELL ANTHONY	071019	Trustee Stipend	866.67
XEROX	097230985	Printer Maintenance	58.98
Cash Account/Payment Method Total:		17 Documents	5,780.98

* Payment amount is estimated based on the effective date 7/15/2019

Yea: Anthony, Benson, Brown, Cowan, Nickleberry, Perkins
and Vice-Chairperson Sheehan– 7

Nays: None

Re: Refunds of Accumulated Contributions (Annuity Savings Fund)

Resolution Moved By: Trustee Cowan - Supported By: Trustee Perkins

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

List No. 7421 - \$199,627.66

List No. 7422 - \$170,624.16

Including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yea: Anthony, Benson, Brown, Cowan, Nickleberry, Perkins
and Vice-Chairperson Sheehan- 7

Nay: None

Re: Employee Loan Program July 10, 2019

Resolution Moved By: Trustee Cowan - Supported By: Trustee Perkins

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$53,387.00** including interest, be hereby **APPROVED**.

Yea: Anthony, Benson, Brown, Cowan, Nickleberry, Perkins
and Vice-Chairperson Sheehan- 7

Nay: None

Re: Employee Loan Program July 17, 2019

Resolution Moved By: Trustee Cowan - Supported By: Trustee Perkins

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$33,724.00** including interest, be hereby **APPROVED**.

Yea: Anthony, Benson, Brown, Cowan, Nickleberry, Perkins
and Vice-Chairperson Sheehan- 7

Nay: None

Re: Minutes/Journal No. 4236 – (06/19/19)

Resolution Moved By: Trustee Cowan - Supported By: Trustee Perkins

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4235**, held on **June 05, 2019**, be hereby **APPROVED** as recorded and submitted.

Yea: Anthony, Benson, Brown, Cowan, Nickleberry, Perkins
and Vice-Chairperson Sheehan– 7

Nay: None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Gail A. Oxendine**, in addition to her formal report, discussed the following with the Board of Trustees:

Department/Division Presentations

Upcoming presentations scheduled for:

- DDOT – July 18, 24 and 25, 2019

Newsletter

The newsletter will be published before the end of the month. Kim Hall-Wagner is the trustee being spotlighted this quarter.

AFSCME Request

AFSCME has requested a list of all retirees, including addresses, of those who were AFSCME members at the time of their retirement. AFSCME is hosting a convention in Detroit this fall and would like to mail information to current and prior members. Your approval is requested.

Retiree Assistance

Conversations are being held with Health Management Systems of America (HMSA) regarding providing mental health and counseling services for retirees. Also, the attached list of resources has been prepared and will be made into a flyer for distribution to retirees when needed.

Truscott Rossman (Public Relations Firm)

The contract for Truscott expired on July 16, 2019. Total spending for the year of the contract was \$20,295. Contract was NTE \$38,000. Contract terms and scope of services are the same as the prior contract. Your approval is requested.

Re: Truscott Rossman Contract Approval: June Nickleberry moved to approve the Contract for Board Public Relations Consultant Truscott Rossman recommended and submitted by Staff. Tasha L. Cowan supported. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, discussed the following with the Board of Trustees:

- **Request by GLWA for more information from Gabriel Roeder**

After a very informative phone discussion was held with GLWA on July 8, 2019, they have put in a request for more detailed information from Gabriel Roeder on how benefit payments were calculated and a more robust breakdown of GLWA's projected benefit payments.

GLWA was informed that if this work is approved by the board there would be a cost involved that they must pay for. They agreed.

I recommend approving this work for GLWA but only after the work of the retirement system is either finished or at a stage that won't affect our timeline.

Open Forum

Vice-Chairperson Sheehan opened the meeting for public discussion:

Retiree Cedric Cook addressed the Board regarding the following:

- Bankruptcy questions

Willie Mitchell, of Local 26 (Bus Drivers union) addressed the Board regarding the following:

- Hybrid Plan Loan Program
 - Staff informed Mr. Mitchell that once the new ERP system is live, the program will be implemented.

Kathleen Colin, President of NASP Detroit addressed the Board regarding the following:

- NASP_Detroit annual golf outing: Raymond Welborne Memorial Golf Classic; Friday July 26th, 2019 at the Links at Gateway Golf Club in Romulus
 - Cigars and Cognac will proceed the golf classic on Thursday July 25th, 2019

- ***Trustee John Naglick entered the Boardroom at 10:30 a.m.***

DEPUTY-CHIEF INVESTMENT OFFICER'S REPORT

Deputy-Chief Investment Officer, Kevin Kenneally, in addition to his formal report, discussed the following matters with the Board:

- Fiduciary Liability
- General Counsel Service Evaluation Acceptance (Anthony/Naglick)
- NEPC Discussion
- Steve Burns of Townsend Consultants discussion
- GASB Methodology (Cowan Perkins)
- CEM Benchmarking Investment Study

Re: Fiduciary Liability Coverage: John Naglick moved to acknowledge that at its last meeting on July 15, 2019, The General Investment Committee received a presentation regarding the current amounts and layers of fiduciary liability coverage for the General Retirement System, reviewed the amounts and layers of coverage provided, resolved to terminate the last layer of fiduciary liability coverage in the amount of \$10,000,000 dollars effective immediately; and to request updated pricing for the bottom \$15,000,000.00 and consider pricing options at the next Investment Committee meeting. Tasha L. Cowan supported. The motion passed unanimously.

Re: CEM Benchmarking: John Naglick moved to acknowledge that at its last meeting of July 15, 2019, the General Investment Committee reviewed a request to participate in the investment portion of the CEM Benchmarking study and after discussion resolved to participate in the investment portion of the study and further resolved to request that the Police and Fire System also participate in the investment portion of the CEM Benchmarking study if they so choose; and to concur with the participation of the General Retirement System of the City of Detroit in the investment portion of the CEM benchmarking study. Crystal Perkins supported. The motion passed unanimously.

Re: GASB Methodology: Tasha L. Cowan moved to approve the GASB Methodology as submitted. Crystal Perkins supported. The motion passed unanimously.

PRESENTATION:

New England Pension Consultants

Representatives Kevin Leonard and Kim Kaczor discussed the following with the Board:

- Private Credit Pacing and Strategic Investment Plan
- WHY International Equity
- Fixed Income Portfolio Review
- Preliminary May Performance Report

GENERAL COUNSEL'S REPORT

Francis Judd, for General Counsel had no formal report or matters to discuss before the Board.

NEW BUSINESS/OLD BUSINESS

- None

ADJOURNMENT

Trustee Cowan moved to adjourn meeting #4238; Trustee Nickleberry supported.

There being no further business before the Board, **Vice-Chairperson Sheehan** adjourned the meeting at 11:38 a.m. The Board's next meeting is scheduled for **Wednesday, August 7th, 2019**, at 10:00 a.m. in the Retirement System's Conference Room; 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



GAIL A. OXENDINE, ASSISTANT EXECUTIVE DIRECTOR